

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PARCEL SELECT & PARCEL RETURN SERVICE  
CONTRACT 10 (MC2020-83)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2020-82

**USPS NOTICE OF AMENDMENT TO  
PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 10,  
FILED UNDER SEAL  
(November 24, 2021)**

The Postal Service hereby provides notice that the terms of Parcel Select & Parcel Return Service Contract 10, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Parcel Select & Parcel Return Service Contract 10 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective three business days following the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorney:

Sean C. Robinson

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November 24, 2021

**ATTACHMENT A**  
**REDACTED AMENDMENT TO**  
**PARCEL SELECT & PARCEL RETURN SERVICE CONTRACT 10**

**AMENDMENT #1**  
**OF**  
**SHIPPING SERVICES CONTRACT**  
**BETWEEN**  
**THE UNITED STATES POSTAL SERVICE**  
**AND**  
[REDACTED]  
**REGARDING**  
**PARCEL SELECT**  
**AND**  
**PARCEL RETURN SERVICE**

WHEREAS, the United States Postal Service (the “Postal Service”) and [REDACTED] (“Customer”) entered into a Shipping Services Contract, PS-PRS10/CP2020-82, regarding Parcel Select and Parcel Return Service, on December 23, 2019.

WHEREAS, the Parties desire to amend the terms in Sections I.B, I.D, I.E, I.F, excluding Table B, amend Section I.H.3-7, including Table D, Tables 1 through 3, delete Tables 4 through 6, amend Sections I.I and I.J, including Table E, adding new Tables F and G, add new Section I.P, including Table H, new Section I.Q, new Section I.R, and amend Sections III and IV of the Contract.

NOW, THEREFORE, the Parties agree that the Contract is hereby amended as detailed below. The existing Contract remains unchanged in all other respects. This Amendment shall become effective three (3) business days following the day on which the Commission issues all necessary regulatory approval.

[Replace Sections I.B, I.D, I.E, I.F, excluding Table B, amend Section I.H.3-7, including Table D, Tables 1 through 3, delete Tables 4 through 6, amend Sections I.I, and I.J, including Table E, adding new Tables F and G, add new Section I. P, including Table H, new Section I.Q, and new Section I.R, and amend Sections III and IV, as follows.]

**I. Terms**

A. *{Unchanged}*

B. This Contract applies to Customer’s Parcel Select packages excluding packages originating from and/or addressed to ZIP Codes in Table A below (collectively, “Contract Packages”), as follows:

1. Parcel Select pound-rated DSCF 3-Digit machineable packages that are no greater than [REDACTED], and not addressed to any ZIP Codes in Attachment A (“[REDACTED]”);

2. Parcel Select pound-rated DSCF 3-Digit machineable packages that are no greater than [REDACTED], and addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
3. Parcel Select pound-rated DDU packages that are no greater than [REDACTED], and not addressed to any ZIP Code in Attachment A (“[REDACTED]”);
4. Parcel Select pound-rated DDU packages that are no greater than [REDACTED], and addressed to any ZIP Code in Attachment A (“[REDACTED]”);
5. Parcel Select pound-rated DSCF 5-Digit machineable packages that are no greater than [REDACTED], and not addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
6. Parcel Select pound-rated DSCF 5-Digit machineable packages that are no greater than [REDACTED], and addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
7. Parcel Select pound-rated DNDC machineable packages that are no greater than [REDACTED], and are not addressed to any ZIP Codes in Attachment A (“[REDACTED]”);
8. Parcel Select pound-rated DNDC machineable packages that are no greater than [REDACTED], and addressed to any ZIP Codes in Attachment A (“[REDACTED]”); and
9. Parcel Select Lightweight packages that do not exceed [REDACTED].

[REDACTED]

The ZIP Codes listed in Table A may be modified by the Parties from time to time by written mutual agreement.

The Parties may modify the ZIP Codes in Attachment A by mutual written agreement at any time.

C. *{Unchanged}*

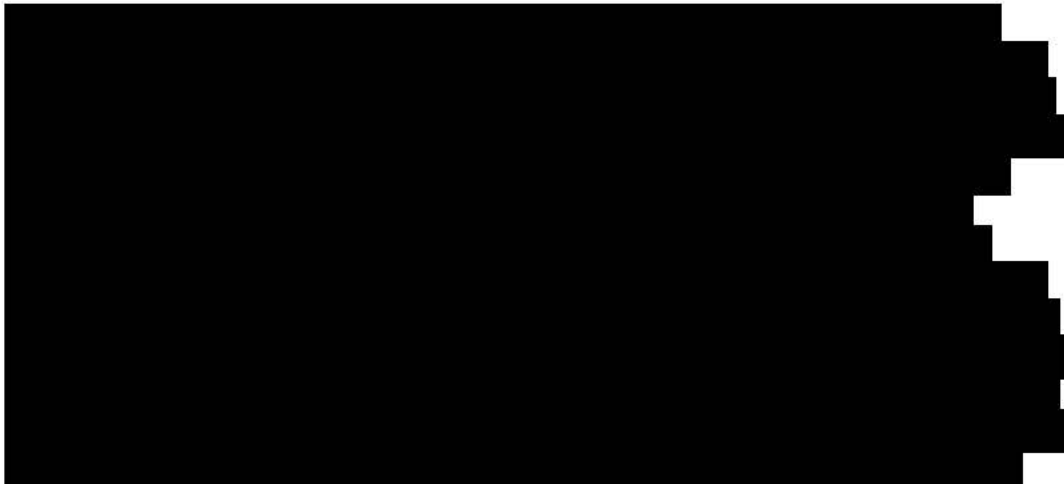
- D. Delivery Appointments and Notifications. If the Postal Service requires an appointment for package deposit through the Facility Access Shipment Tracking (FAST) system, Customer will be issued recurring appointment IDs from the Postal Service for the respective DNDC, DSCF, DSCF Hubs (“DSHF”) and DDU facilities where Customer delivers. Customer will not be required to schedule delivery appointments for Postal Service facilities including the use of FAST.



Only Contract Packages tendered at authorized DNDC, DSCF and DSHF are eligible for the customized prices authorized by this Contract. Customer must request permission from the Postal Service in writing to add additional authorized facilities and, if approved, such facilities will be recorded in the Operations MOU referenced in Section I.R of this Contract.

- E. Label Elements and Packaging. Customer agrees to print a human-readable Carrier Route number on each label, derived from the Postal Service Data file. Customer shall refrain from preparing its Contract Packages in any way that violates the packaging requirements specified in the Domestic Mail Manual. Should the Postal Service determine that Customer has failed to cure repetitive non-compliance with the packaging requirements for an authorized DNDC, DSCF or DSHF, the Postal Service may revoke its authorization for such facility by providing thirty (30) days' notice to Customer. After the thirty (30) days' notice, Contract Packages tendered to such facility will no longer be eligible for Contract Prices and such facility will be removed from the Operations MOU.

- F. 
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Attachment B will be evaluated and subject to change by the Postal Service each Contract Quarter unless more frequent changes are mutually agreed upon by the Parties, provided that the Postal Service may add ZIP Codes to Attachment B at any time. Attachment B may also be modified by written agreement by the Parties. The Postal Service may also remove ZIP Codes from Attachment B for DDU Sunday Delivery and/or change ZIP Code and Sunday DDU associations each Quarter pursuant to Table B provided that the Postal Service may not remove ZIP Codes from Attachment B for DDU effective during the period October 1st through January 16th without Customer's written consent.

G. *{unchanged}*

H.

*{1-2 unchanged}*

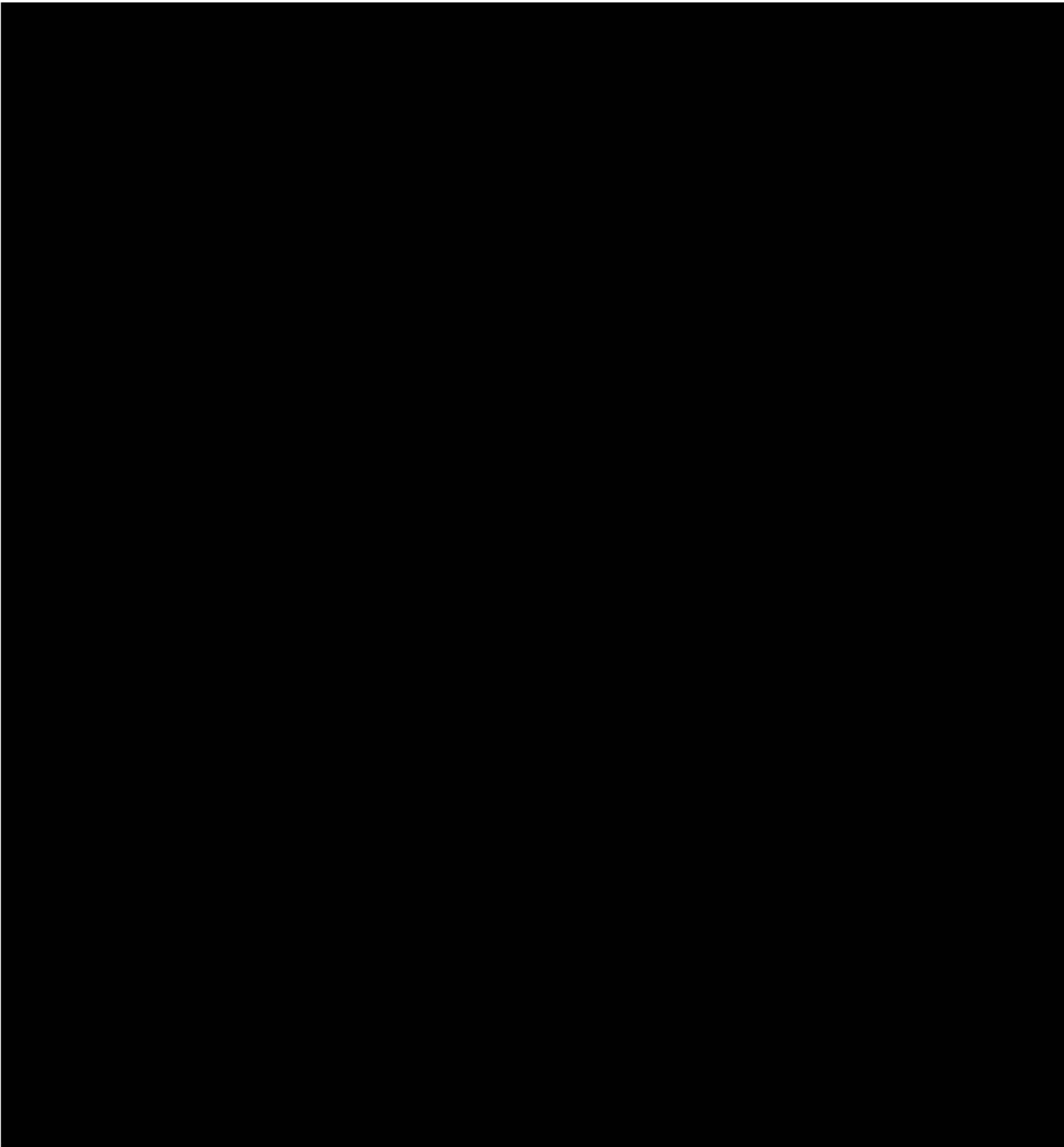
3. Beginning on the effective date of this Amendment until February 1, 2022, Customer will receive Tier 2 pricing for Contract Packages pursuant to Table 2 below.
4. Beginning February 1, 2022, Customer will receive Tier 3 pricing for Contract Packages pursuant to Table 3 below and subject to adjustment pursuant to Section I.J.
5. For subsequent Contract Years, tier pricing will be based on Customer's volume of Parcel Select Contract Packages, excluding Parcel Select Lightweight, shipped during the most recent Calendar Year compared to the same period the previous year pursuant to Table D below and Tables 1 through 3 below.
6. Beginning in 2022 and for all subsequent years of the Contract, tier adjustments will be made effective on February 1st.

7. For the duration of this Contract, Customer will pay the prevailing published Parcel Select DDU prices for [REDACTED],

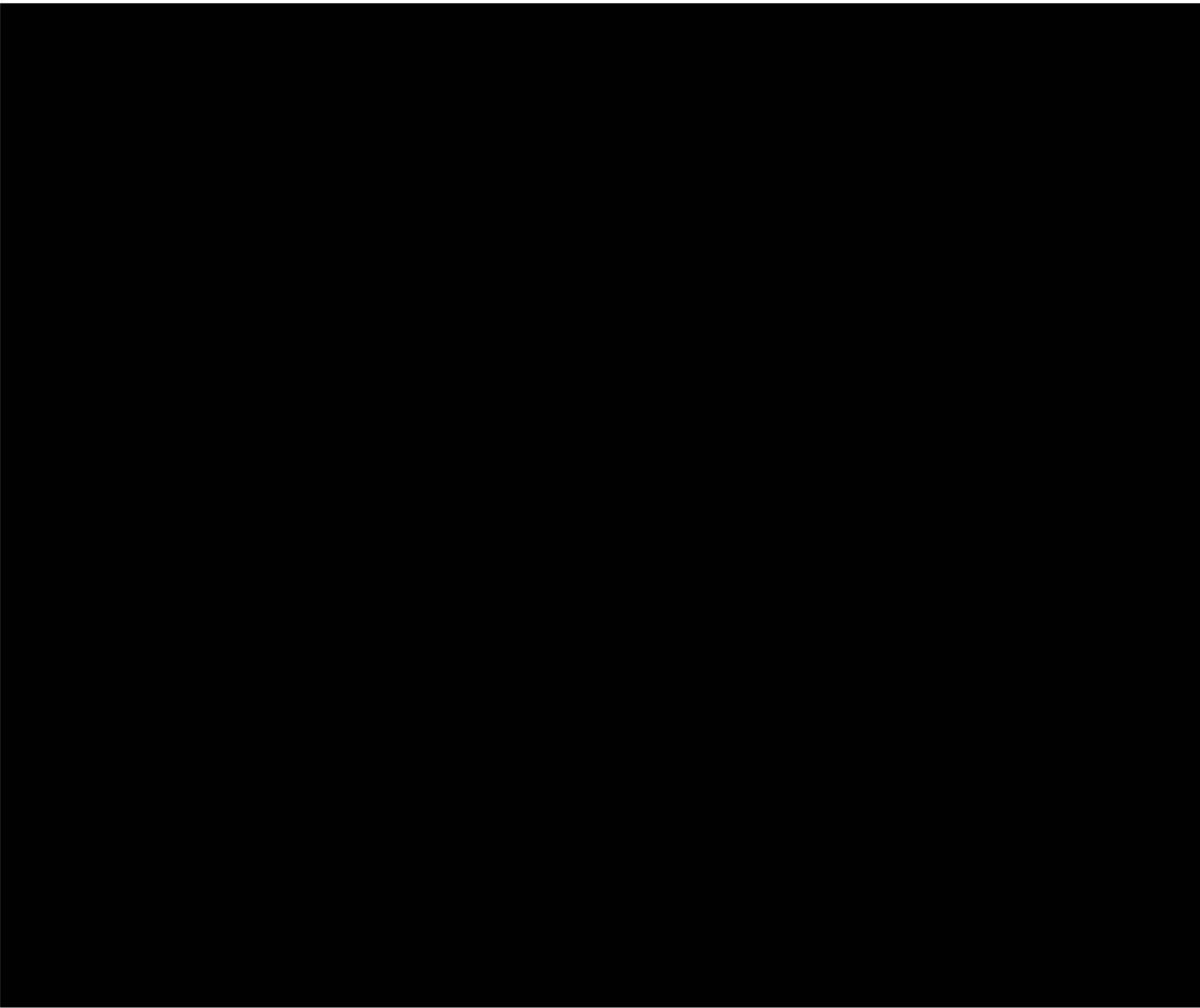
[REDACTED] and [REDACTED]  
[REDACTED] and published [REDACTED] prices for [REDACTED]  
[REDACTED]

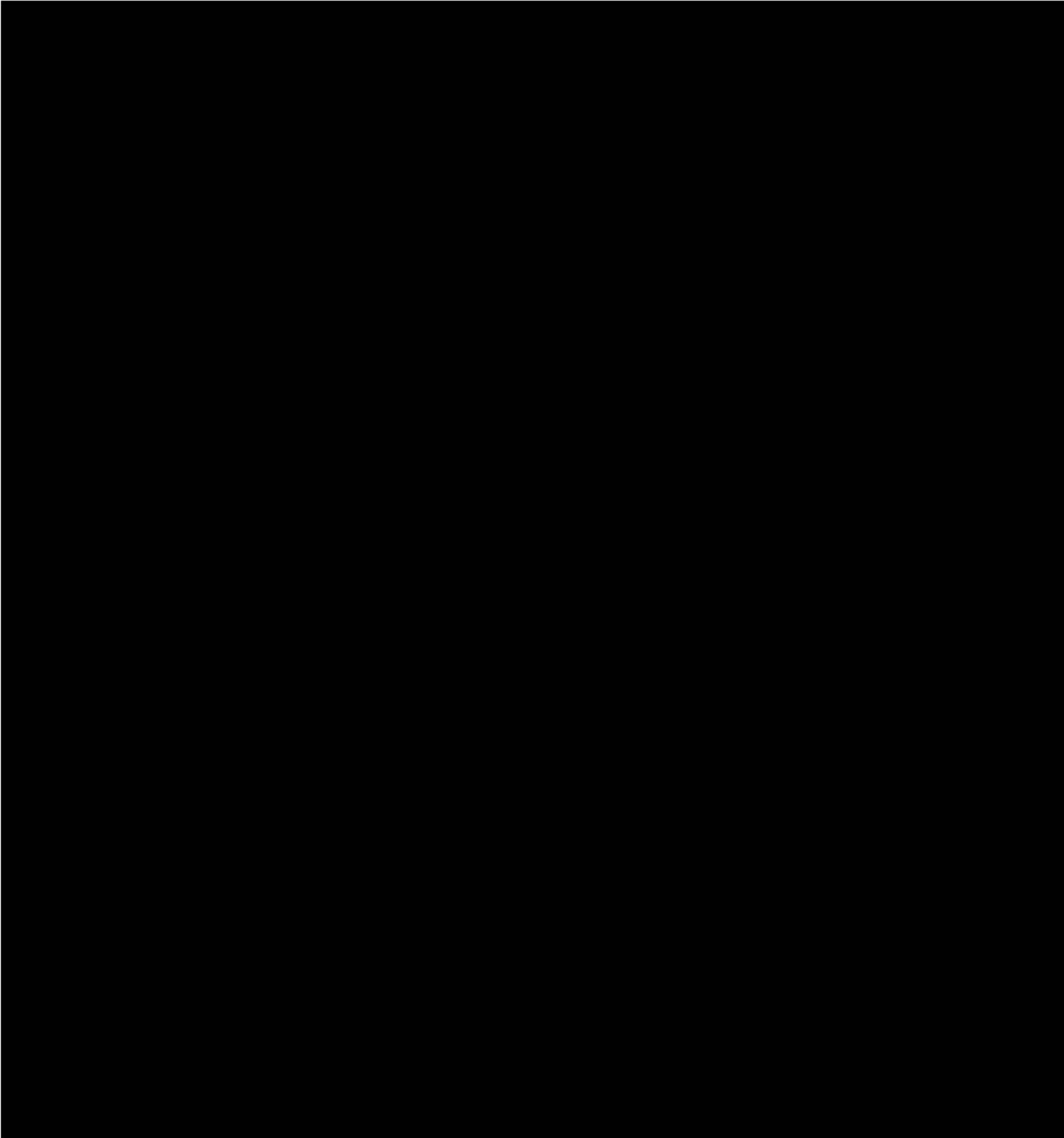
[REDACTED]











**Tables 4-6 {deleted}**

*Customer will pay prevailing published prices for [REDACTED]  
[REDACTED]  
addressed to ZIP Codes in Attachment A and tendered at DSHF's, and [REDACTED]  
[REDACTED] throughout the term of this contract.*

*Customer will pay [REDACTED]  
[REDACTED] not addressed to ZIP Codes in Attachment A and tendered at  
DSHF's per Tables 1 through 3 above and the applicable tier.*

- I. DDU/SCF Mix Requirement. Beginning with the Contract Quarter July 1, 2021 through September 30, 2021, the Postal Service will calculate the percentage of






Customer's Parcel Select DDU to total Parcel Select 3-Digit DSCF and Parcel Select DDU, excluding Parcel Select Lightweight, shipped during the Contract Quarter and for all subsequent Contract Quarters. If the percentage of Parcel Select DDU, excluding Parcel Select Lightweight, is less than [REDACTED] of the total of Parcel Select 3-Digit DSCF and Parcel Select DDU Contract Packages, excluding Parcel Select Lightweight, Customer will pay an additional [REDACTED] per package on all Parcel Select Contract Packages, excluding Parcel Select Lightweight, shipped. Additionally, Customer's DDU Contract Packages will be assessed any time-limited price change ("TLPC"), fee or surcharge imposed pursuant to Section I.P during such Contract Quarter.

J. Annual Adjustment.

1. Parcel Select pound-rated packages.

- a. Beginning in 2022, Contract Prices in Section I.H above for Parcel Select pound-rated packages will adjust annually on February 1st of the same year ("Rate Change Date").
- b. On the Rate Change Date in 2022, the previous year's Contract Prices for Parcel Select pound-rated Contract Packages will increase by the lesser of:  
(a) the most recent overall average published percentage change in prices of general applicability ("Published Price Increase"), as calculated by the Postal Service, for the applicable products Parcel Select pound-rated DNDC, DSCF and DDU or (b) [REDACTED].
- c. On the Rate Change Date in 2023, the previous Contract Year's prices will increase by the lesser of: (a) the Published Price Increase for the applicable products Parcel Select pound-rated DNDC, DSCF and DDU, or (b) the Annual Adjustment Cap ("AAC") set forth in Table E below. The AAC applied to the 2023 rate change will be determined based on both: (a) the volume growth of Contract Packages shipped January 1, 2022 through December 31, 2022 compared to the same period the previous Contract Year ("Annual Growth Percentage, or "AGP") and, (b) the applicable Annual Volume Commitment ("AVC") per Table E below. The AVC will be based on whether Customer achieves at least [REDACTED] DDU/DSCF Mix Requirement per Section I.I above for each Contract Quarter during the previous Contract Year. If the DDU/DSCF requirement is achieved, the AVC Column A in Table E below will be used to determine the AAC. If the DDU/DSCF requirement is not achieved, the AVC Column B in Table E below will be used to determine the AAC.

- [REDACTED]

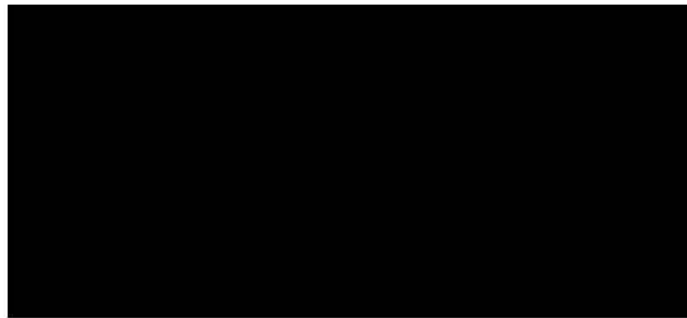
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- d. Beginning on the Rate Change Date in 2024, the AAC will be based on the AGP per Table F below.
- For example, the Parcel Select AAC for Contract Year 5 (2024), will be determined by the AGP based on Contract Packages shipped during January 1, 2023 through December 31, 2023 compared to the same period the previous year.
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2. Parcel Select Lightweight.

- a. The PSLW AAC applied on the Rate Change Date in Calendar Year 2022 will be determined by AGP based on Contract Packages shipped January 1, 2021 through December 31, 2021 compared to same period previous year.
- b. PSLW published rates will apply until the AAC is less than the most recent overall change in published prices for Parcel Select Lightweight as of the Rate Change Date in any Contract Year.

- c. Beginning January 1, 2023, and for subsequent years, the PSLW AAC will be determined by the AGP based on Contract Packages shipped during the most recent Calendar Year compared to the same period the previous year as outlined below in Table G below.

- Example, the PSLW AAC for Contract Year 4 (2023) will be determined by the AGP change in Contract Package volume for Calendar Year 2022 compared to Calendar Year 2021.



- d. In the event that the annual adjustment pursuant to Section I.J.4.c results in customer receiving less than published prices for Parcel Select Lightweight, Customer's prices for Parcel Select Lightweight will be updated February 1st ("Rate Change Date") each year of the Contract pursuant to Section I.J.4.c.
3. If the Postal Service maintains or decreases published rates of general applicability for Parcel Select pound-rated DSCF, DDU, DNDC and Parcel Select Lightweight, there will be no change to contract pricing for the respective product that Contract Year; provided, that if published rates in effect at the time of shipping are lower than the rates available under this Contract, the Postal Service agrees that such lower published rates will apply to Customer in lieu of the rates provided under this Contract .
4. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent.
5. Notwithstanding the foregoing, in each subsequent Contract Year, the Postal Service may increase Contract prices by a lesser amount than determined by Sections I.J.1 and I.J.2 (above) but not less than zero.

*K. {Unchanged}*

*L. {Unchanged}*

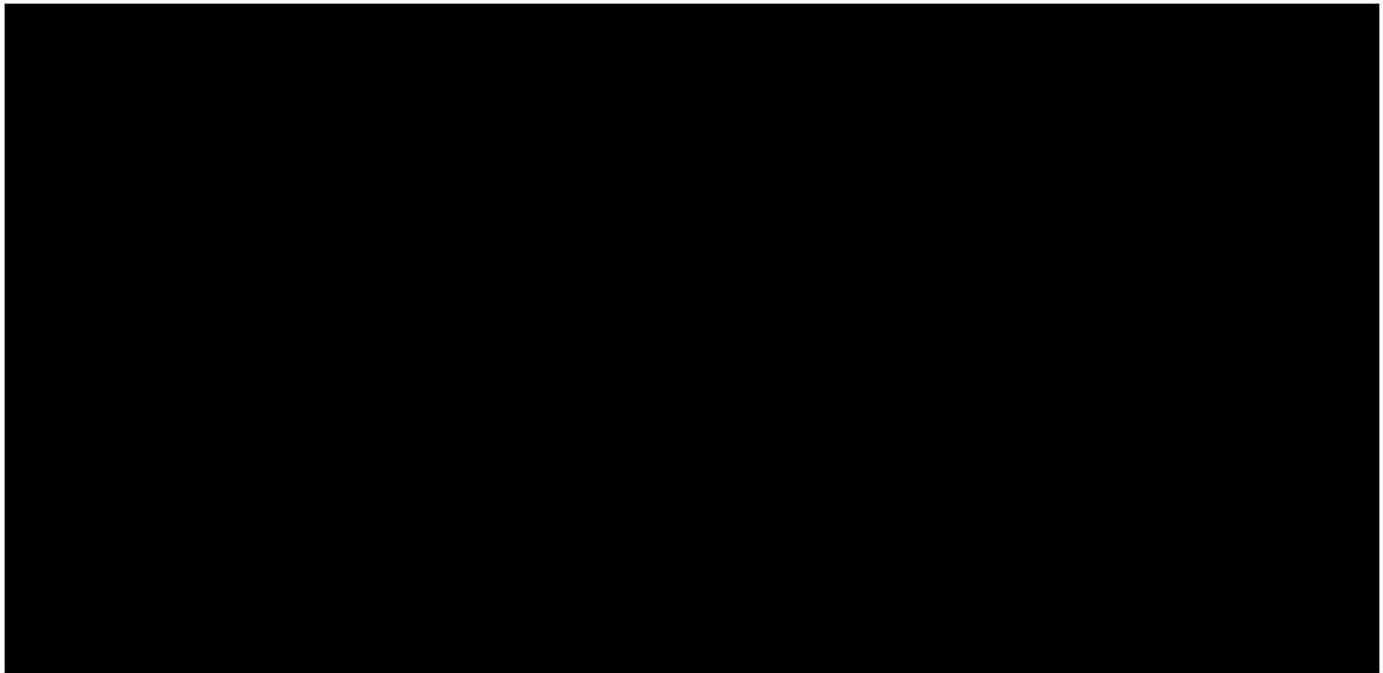
*M. {Unchanged}*

*N. {Unchanged}*



*O. {Unchanged}*

- P. Surcharges, Additional Fees and Time-Limited Price Changes. To the extent the Postal Service promulgates a surcharge, additional fee, or time-limited price change, applicable to the products defined and referenced in Term I.B, during the term of this Contract, such surcharge, fee, or time-limited price change will be applied to the then applicable prices for those products under this Contract, subject to the same terms as such surcharge or fee is applied to the prices of general applicability for those products, respectively, as calculated by the Postal Service. The surcharge, fee, or time-limited price change shall not exceed the limits expressed in Table H below for Contract Packages, and shall not be considered the “most recent price change” for the purposes of the Annual Adjustment provision in Section I.J above. The Postal Service reserves the right to forego an increase pursuant to this section or increase by a lesser amount (but no less than zero), at its sole discretion.



- Q. The Postal Service must provide pre-authorization for facilities where all Parcel Select DSCF 5-Digit, including DSHF, DSCF 3-digit and DNDC injection is permitted at discounted rates.
- R. Memorandum of Understanding. The Parties will endeavor to mutually agree to operational procedures and service level commitments as it pertains to Parcel Select packages. Such procedures are intended to be documented in an agreement between the Parties.

## **II.     *{Unchanged}***

## **III.    Expiration Date and Termination**

This Contract will expire March 31, 2023, unless (1) terminated by either Party with sixty (60) days' prior written notice to the other Party in writing, (2) renewed by mutual agreement in writing, (3) extended for up to two (2) additional one (1) year periods by mutual agreement of the Parties, (4) superseded by a subsequent contract between the Parties, (5) ordered by the Commission or a court, or (6) required to comply with subsequently enacted legislation.

Furthermore, each Party reserves the right to terminate this Contract as set forth above without penalty except that the Postal Service may not terminate this Contract without cause with an effective date during the period of October 1st through January 15th; accordingly, in order for termination by the Postal Service to become effective before January 16th of any year, the Postal Service must exercise the termination right before August 1st of the preceding year.

At the conclusion of the initial Contract term or any one-year extension period, if preparation of a successor SSC is active, the Parties may agree to extend the SSC for up to two (2) ninety (90) calendar day periods with official notification to the Commission at least seven (7) calendar days prior to the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.J, throughout the extension period.

## **IV.    Appeals**

Customer may appeal a Postal Service decision regarding the calculation of prices, the amount of postage paid, or other implementation or operational issues under this Contract by submitting a written appeal via email, along with any and all supporting documentation, within thirty (30) calendar days of receipt of notification of the determination giving rise to the appeal to: [REDACTED]. The appeal is forwarded to the Pricing and Classification Service Center (PCSC). The PCSC manager issues the final agency decision. Any decision that is not appealed as prescribed becomes the final agency decision.



IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the later date below:

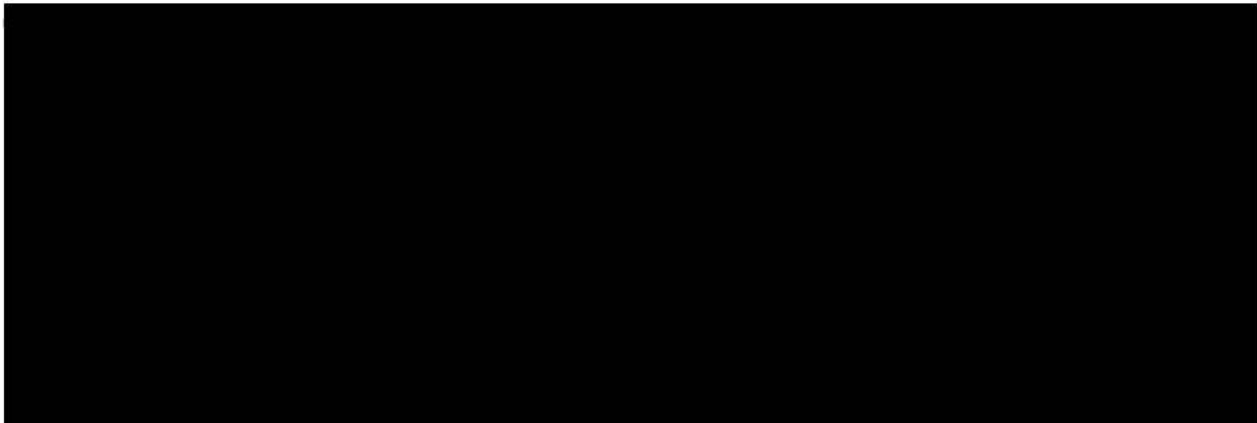
UNITED STATES POSTAL SERVICE

Signed by:     *Jacqueline Strako*    

Printed Name:     Jacqueline Strako    

Title:     Chief Commerce & Business Solutions Officer and Executive Vice President    

Date:     11/11/2021    



**ATTACHMENT B**  
**SIGNED CERTIFICATION**

**Certification of Prices for Amendment to  
Parcel Select and Parcel Return Service Contract 10**

I, Jorge A. Diaz, Manager, NSA Strategy & Support, Finance Department, am familiar with the prices and terms for the amendment to Parcel Select and Parcel Return Service Contract 10. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 19-1).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

**Jorge Diaz**  
Jorge A. Diaz

Digitally signed by Jorge Diaz  
DN: cn=Jorge Diaz, o=United States Postal Service,  
ou, email=jorge.a.diaz@usps.gov, c=US  
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